

**QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT  
COMMITTEE**

**ON**

**MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE  
ABUSE SERVICES**

**SESSION LAW 2001-437**

**January 1, 2004 to March 31, 2004**

This quarterly report is submitted to the Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of January 1 through March 31, 2004 and provides information on major developments as the Division implements reform.

**Section I: Major developments for this quarter include:**

- ❑ System reform continues to move steadily forward.
- ❑ Richard Visingardi resigned effective March 31, 2004 as the Director of the Division.
- ❑ Secretary Carmen Hooker Odom appointed Michael Moseley as the Director of the Division. His appointment was effective April 1, 2004.
- ❑ All Team leaders have been hired except the Quality Improvement Team Leader.
- ❑ The Public Policy Work Group continues its work. This group is comprised of representatives from the Division, Area/County Programs, County Managers and County Commissioners.
- ❑ The External Stakeholder Group, which was appointed by Secretary Carmen Hooker-Odom and Former Division Director Richard Visingardi, continues to meet. This group was established to assist the Division with necessary policy development as a part of Mental Health reform implementation.

## **Section II: Statutory Items**

### **1. Division Reorganization**

The reorganization of the Division is completed and the Division is operating under the new organizational structure. All team leaders, except the Quality Improvement Team Leader, have been hired and are leading their teams in carrying out assigned duties and responsibilities.

Michael Moseley was appointed Director of the Division. Mr. Moseley has been with the Division since 1976 and has served in many capacities. He served as the first chief of the Division's Crisis Services Section, where he worked to create community support structures for people in crisis. He managed the state's response to the Thomas S. class action lawsuit, which focused on developing community-based service options for adults with mental retardation determined to be inappropriately placed in state psychiatric hospitals. He served as the head of the division's residential services for people with disabilities and before his most recent appointment, he was the Director of the Caswell Center. Moseley is a native of Kinston. He holds a B.A. from the University of North Carolina at Chapel Hill and an M.A. Ed. in Special Education-Mental Retardation from East Carolina University. A complete biographic sketch is attached to this report.

### **2. State Plan 2003: Blueprint for Change**

State Plan 2003: Blueprint for Change is posted on the Division's website and provides an overview of continued progress and lays the foundation for the key activities and events that must occur in the upcoming year to keep reform moving forward.

The Division's Operations Plan, which specifies the outcomes to be achieved and products delivered, has been updated and posted on the Division's website. Responsibilities for these outcomes and products have been assigned to Division team leaders. Team leaders meet monthly to discuss the status of the deliverables and tasks in the Plan. All deliverables and tasks are on schedule.

The Child Mental Health Plan is posted on the Division's website and provides the initial direction for developing a children's system that is most responsive to the lives of children, families and communities. Responsibility for the plan has been assigned to the Prevention and Early Intervention Team. A work plan timeline has been completed that details the milestones and dates for the events associated with operationalizing the Plan.

The Division released Communication Bulletins #014, #015 and #016.

- Communication Bulletin #014 is the official announcement of Leza Wainwright as the Deputy Director of the Division.

- ❑ Communication Bulletin #015 announces the Draft State Fiscal Year 2004-2005 (SFY 04/05) contract between the Department of Health and Human Services (DHHS) and the Local Management Entities (LMEs).
- ❑ Communication Bulletin #016 provides the Criteria and Procedure for Approval of Service Delivery by an Area/County Program.

### **3. Local Systems Development**

#### **Information and Technical Assistance:**

Division staff of the Customer Services and Community Rights Team completed the second data report. This report provides information about complaints, informal Medicaid appeals and information and referral requests filed by consumers and family members and stakeholders.

Staff continues to work closely with the Department's Office of Citizen Services (CARE-LINE) and local LMEs to address stakeholder issues. Issues are analyzed for important trends in order to improve quality. Reports will be published quarterly and posted on the Division's Advocacy and Customer Services Section web-site.

Staff worked during this quarter to plan the Rights and Empowerment Conference 2004. The theme of this years' conference is "Creating a Community of Supports with Consumers and Families". The conference will be held May 14 and 15, 2004 at the Sheraton Imperial Hotel and Convention Center in Research Triangle Park.

The selection process for the State Consumer Family Advisory Committee (SCFAC) has been completed. The SCFAC, in conjunction with the Division's Executive Leadership Team (ELT), will provide input and conduct oversight of the Division's operations and efforts to accomplish the strategic outcomes of the State Plan. The Committee will hold its first meeting May 5, 2004.

### **4. Local Business Plans**

The draft contract between the Department and the LMEs has been completed and distributed. Staff has completed the reviews of Phase III programs and conducted site visits. Division staff has identified LMEs that do not meet the 200,000-population/five county criteria. Discussions will be held with these programs regarding their plans for becoming a viable LME.

## **5. Services and Programs**

### **ADATC Renovations**

The new acute unit at the RJB/ADATC is currently under renovation with an anticipated finish date of April 2004. Authorization for use of the Mental Health Trust Fund monies to support the additional positions needed to staff the new unit has been granted by the Office of State Budget. The new positions are to be posted initially as time-limited but are to become permanent as funds identified from the Psychiatric Hospital downsizing become available for support in subsequent years.

### **Funding to Support Expansion of Community Capacity:**

Planning for community services expansion to support hospital bed downsizing in state fiscal year 2004 continued during the quarter. The process that was established in state fiscal year 2003 is being used to plan for expansion in the current fiscal year. This process includes identifying community service and support needs to enable individuals to leave beds scheduled for closure and to meet the needs of those who would have used those beds had they not been closed. During the quarter, Area Programs submitted proposals for community capacity expansion based on identified consumer needs to be supported by the Mental Health Trust Fund for start-up purposes. These proposals were reviewed by staff in the State Operated Services, Community Policy Management, and Resource and Regulatory Management sections of DMH/DD/SAS. Allocations for community capacity start-up from the Mental Health Trust Fund were initiated during the quarter. A total of \$2.5 million from the Trust Fund is projected for allocation for capacity expansion. Savings from downsizing this fiscal year should result in an additional \$7,981,669 in recurring allocations for community capacity expansion.

The State Operated Services Section is continuing to provide oversight and approval of discharge planning for patients being released from long-term units that are being downsized this year. Hospital and Area Program staff collaboratively develop comprehensive discharge and aftercare plans, that are reviewed for approval or revision by the Section. This process ensures that all the key services in the community, including residential setting, are in place and ready to receive individuals leaving long-term units. During state fiscal year 2004, 184 beds are planned for closure. These include 137 long-term psychiatric beds and 47 nursing facility beds.

The state psychiatric hospital bed allocation plan continued in operation during October-December 2003. Each Area Program has been allocated bed days in each of four Service categories (adult admissions, adult long-term, geriatric, and child), and utilization is tracked on a monthly basis. In November, revised bed day allocations for fiscal years 2005, 2006, and 2007 were distributed to Area

Programs. Revisions were calculated to better reflect bed availability per hospital and to reflect changes in scheduled closure dates for child residential (PRTF) beds consistent with the newly developed Child Mental Health Plan.

### **Community Planning Model for Downsizing State Mental Retardation Centers (MRCs)**

The Department promulgated the Community Planning Model for downsizing state operated mental retardation centers in October. MRCs have provided Area Programs with information about all MRC residents that originated from the Area Program's catchment area counties. In December Area Programs identified a group of persons to transition and began to identify the community capacity and provider infrastructure that will be necessary to provide appropriate services and supports. Plans for how to build/recruit the community elements necessary will be submitted to DMH/DD/SAS by March of 2004. Using the numbers of consumers projected to move to the community, the Division and the MRCs will identify funds to be moved from the MRCs to the communities to sustain the supports and services developed.

## **6. Administration and Infrastructure**

### **Service Definitions and Licensure Rules:**

Staff continues to have discussion with the Division of Medical Assistance (DMA) regarding the adult mental health, developmental disabilities, substance abuse, and child mental health service definitions. These new service definitions reflect the implementation of the State Plan and evidence-based best practice services and supports.

## **7. Financing**

### **Mental Health Trust Fund:**

The Mental Health Trust Fund continues to be used to assist in reform and community expansion. As of March 31, 2004, \$31,543,578 has been used for the following: bridge funding to Area Programs associated with hospital downsizing, hospital replacement planning, funding to Area Programs/counties for IPRS conversion and Local Business Plan development, Olmstead planning assessments and oversight, training regarding reform and consultant contracts.

### **Integrated Payments and Reporting System:**

At this time all Area Programs, except Riverstone and Piedmont, are in production and using the Integrated Payments and Reporting System. This brings an end to the implementation project.

## **8. Progress in Addressing Barriers to System Reform**

This section of the report reflects progress in addressing barriers to system reform. The identified barriers were included in previous quarterly reports.

1. Statutory changes were required regarding confidentiality to reflect changes in HIPPA, IPRS implementation and the acknowledgement of county programs in the statutes where confidentiality is cited.

### *Update*

*Legislation on confidentiality was passed by the General Assembly.*

2. Local business plans submitted by some Phase I programs have identified ways to enhance reform implementation. Before moving forward with statewide implementation on these ideas, piloting will likely be necessary. When necessary, legislation to pilot alternatives to existing statutes/rules will be proposed.

### *Update*

*Legislation on 1<sup>st</sup> level commitment evaluations and funding integration was passed by the General Assembly. On December 1, 2003, the Division issued a Request for Applications soliciting eligible Area Programs to participate as pilot sites for the first examination waiver project. The application deadline was December 31, 2003. Seven Area Programs submitted applications. Four Area Programs were chosen to participate. These programs are CenterPoint Human Services, Pathways, Piedmont Behavioral Healthcare and Smoky Mountain Center.*

## **9. Session Law 2001-437, Section 3 Reporting Requirements**

Pursuant to the requirements of Section 3, (a), the status of the remaining items listed in this section are:

### **Section 3(a)(3) Oversight and Monitoring Functions:**

Pursuant to SB 163, area authorities or county programs are responsible for monitoring the provision of Mental Health, Developmental Disability and Substance Abuse Services for compliance with the law in cooperation with the Department. These activities are part of a spectrum of quality assurance activities. Temporary rules went into effect on July 1, 2003.

As reported to the LOC in the first quarter of 2003, the SB 163 Report was distributed to the legislature. This report outlines steps taken for implementation of SB 163 that includes rule drafting and tracking requirements. As recommended in the Report, legislation has been introduced that addresses both

technical changes to the bill as well as barriers identified as part of the implementation process. SB 926 was passed by the General Assembly and a Department steering committee has been established to guide the implementation of the statute. The divisions of Medical Assistance, Social Services, and Mental Health, Developmental Disabilities and Substance Abuse Services have drafted rules to implement the provisions of SB 926. The rules are congruent across the department. The MHDDSAS rules are in process for permanent rulemaking.

#### **Section 3(a)(4) Service Standards, Outcomes and Financing Formula:**

These items remain under study and development.

#### **Section 3(a)(8) Consolidation Plan, Letters of Intent:**

As reported to the LOC in the first quarter of 2003, all letters were submitted timely. In addition to reports provided to the Secretary and the LOC, a progress report will be included in the July 2004 State Plan revision. These consolidations include:

- ❑ The Sandhills Area Program and the Randolph County Area Program merged effective July 1, 2003 to form Sandhills.
- ❑ Wayne, Duplin-Sampson and Lenoir County Area Programs merged effective July 1, 2003 to form Eastpointe.
- ❑ The Davidson Area Program and the Piedmont Area Program merged effective January 1, 2004 to form Piedmont
- ❑ Three multi-county programs-Blue Ridge Center, Rutherford-Polk and Trend have merged effective January 1, 2004 to form Western Highlands.